

## **REDEVELOPMENT LAW AND THE REDEVELOPMENT PROCESS** **IN NEW JERSEY**

### **1. What is a “redevelopment area” and a “redevelopment plan”?**

Under state law, a City can declare a neighborhood an “area in need of redevelopment” and adopt a redevelopment plan in order to make it easier for the City to do large-scale development. The City must first show that the area meets the criteria of an redevelopment area (what used to be called a “blighted” area). It can then adopt a redevelopment plan, which is a plan for conducting commercial, industrial, residential, or mixed development in that neighborhood. The redevelopment plan overrides any existing neighborhood plans, zoning laws and the City’s master plan.

### **2. What kind of neighborhood can be found to be “an area in need of redevelopment?”**

The area must be deteriorated, meaning that it must contain vacant City-owned buildings that are not likely to otherwise be developed, abandoned commercial or industrial sites, buildings that have been destroyed by fire or other disasters, or a significant number of buildings that are substandard, unsafe, or unfit for living or working.

### **3. What special powers does the City have if an area is found to be a redevelopment area?**

The City can take privately owned property from landowners without their consent. This right is known as “eminent domain”. The City can use a municipal redevelopment agency, Housing Authority or the County Improvement Authority to conduct redevelopment. The City is also able to give tax abatements and exemptions, to negotiate sales and transfers of City-owned land with private developers without public bidding, to change the zoning requirements in the area, to issue bonds for redevelopment, and to give grants and loans to developers.

### **4. Does the City need to have a redevelopment plan in order to fix up the neighborhood?**

Definitely not. The City and other government and private entities can do many improvements, such as streetscaping, housing rehab, building new facilities, upgrading commercial property, and cleaning up contaminated sites, either by following a neighborhood or master plan or even without any specific plan. The City also could designate an “area in need of rehabilitation”, which gives the City the same powers to do redevelopment except for the power to use eminent domain. Sometimes it is hard for a city, however, to attract certain developers to invest in an area, to get rid of nuisances, or to make dramatic changes without being able to use eminent domain to acquire land.

### **5. Does this mean that if my neighborhood is declared a redevelopment area the City will take my home?**

That depends on the specifics of the redevelopment plan. Usually the City will choose to acquire homes that are in poor condition and those located in an area where some other type of use is planned. The City may also take properties in order to assemble large parcels of land that can be developed as one project.

## **6. How can I find out whether the City plans to take my home?**

A designation of a neighborhood as an “area in need of redevelopment” gives the City the legal right to take any property in the entire neighborhood by eminent domain. However, the City must list which properties it intends to acquire, and make maps which show where these properties are located. If you know the lot and block number of your home, you can check the list contained in the redevelopment plan for your neighborhood or you can look at the map.

Even if your property is not listed, however, that does not mean that your property can never be taken by the City. A redevelopment plan, like any ordinance, can be amended (changed) at any time by City Council, and properties can be added to or deleted from the list.

## **7. What is the procedure the City must follow to adopt the Redevelopment Plans?**

First, the City must formally designate the area as an area in need of redevelopment. Next, the Planning Board is required to give notice to all property owners by certified and regular mail of a public hearing at which it considers the studies. The City is not required to give any more notices by mail for any rescheduled hearings. Once the Planning Board has voted, City Council must also vote to pass a Resolution on the redevelopment designation at a Council meeting.

Second, City Council must adopt the Redevelopment Plan. Each Plan must explain what kind of development is planned for the area. City Council must give the Planning Board a chance to review and comment on the proposed Plans before City Council can consider them. The Planning Board must therefore decide at a Planning Board meeting whether to recommend each of the proposed Plan, with or without any changes. After receiving that recommendation, or if the Planning Board fails to act, City Council can then adopt the Redevelopment Plan. Council must adopt each plan by ordinance, which means Council must first pass the plan at a City Council meeting on first reading, and then publish it in a newspaper and schedule it for a second reading and public hearing. It must then vote again at the next Council meeting to adopt it on second reading.

A City can combine these two steps, and present both the studies supporting the redevelopment zone designations and the proposed Redevelopment Plans to the Planning Board at the same time. City Council also can consider the designation of the redevelopment areas and schedules the first reading of the redevelopment plans at one Council meeting, with the second reading at the following meeting.

In Camden, the state take-over legislation (known as the Municipal Rehabilitation and Economic Recovery Act, or MRERA) gives Chief Operating Officer (COO), Melvin “Randy” Primas special authority to oversee this process, including the right to veto any decisions of the Planning Board and Council. If there is a dispute between the COO and Council over the redevelopment

plans, the COO can ask a specially appointed judge to hold an arbitration proceeding and decide whether the action requested by the COO furthers the purpose of the MRERA. Residents do not have a role in these arbitrations, and the judge's decisions cannot be appealed.

## **8. What rights do residents have to be involved in this planning process?**

Residents have a right to know what the City is planning for their community and to present their comments and objections. The "Sunshine Laws" require that all meetings of the Planning Board, City Council, and other government entities be open to the public and that official documents be available for inspection and copying. In addition, the redevelopment laws require the City to give special public notice of the City's intent to declare the neighborhoods areas in need of redevelopment by sending one letter to all property owners in the affected neighborhood informing them about the Planning Board meetings.

That Planning Board hearings are the main opportunity that residents and all other interested persons are given under the redevelopment laws to make comments and to submit written documents. The Planning Board must give **every** person a chance to be heard before they close the hearing. All of the testimony is written down and that transcript becomes a major part of the record, to be used by Council and in any possible court proceedings. **IT IS VERY IMPORTANT THAT IF RESIDENTS HAVE ANY CONCERNS ABOUT THE REDEVELOPMENT DESIGNATION AND THE PLAN FOR THEIR NEIGHBORHOOD, THAT THEY ATTEND THE PLANNING BOARD HEARINGS AND VOICE THESE CONCERNS.**

The City Council hearings are also open to the public, and Council must give everyone an opportunity to speak at the public hearing held at the time of second reading. Neighborhood residents can offer comments at these hearings in support or opposition to the Plan, offer expert reports and statements, submit documents, and even present their own proposals for neighborhood revitalization.

In addition to attending formal hearings, residents can also offer their comments at community meetings and other forums.

It is usually easier to have impact on City decisions if the residents have organized a group that can serve as the voice of the neighborhood. In order to be credible, such a group should be selected through an open and democratic process and be accountable to all the stakeholders, especially the residents. A community may also increase its clout by making sure residents are registered to vote.

## **9. Can the community challenge a redevelopment designation or the adoption of a redevelopment plan in court?**

The designation of a redevelopment area can be challenged on the grounds that it does not meet the legal standards for "blight". Once a plan has been adopted, there may be possible legal challenges if the City has not followed proper procedures in adopting the plan, if the plan is discriminatory or unconstitutional, if the plan calls for improper use of restricted government funding, if the City has not developed an adequate relocation plan, or if there are other

irregularities. Courts generally defer to the decisions of local officials about redevelopment, however, so it is not easy to challenge a plan in court just because it was adopted over local opposition. If residents want to take legal action under the redevelopment laws, they must file in court within 45 days of the date the City made the decision which they are challenging.

In Camden, there have been court cases filed on behalf of both residents and businesses challenging the redevelopment plans for Fairview, Cramer Hill, Waterfront South, and Bergen Square. The outcome of these cases is still unknown. In the Cramer Hill case, the judge issued an injunction, stopping the City from taking homes by eminent domain until the case is heard in court. There is also litigation pending in Mount Holly, Long Branch, Lawnside, Lindenwold, Newark, and numerous other redevelopment areas in the state.